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December 28, 2006

ORIGINAL DELIVERED BY MESSENGER

The Honorable Jim Doyle
Governor of Wisconsin
115 East State Capitol
Madison, WI 53702

RE: Final Report of the Task Force on Waste Materials Recovery and Disposal

Dear Governor Doyle:

On behalf of your Blue Ribbon Task Force on Waste Materials Recovery and Disposal, I am pleased to deliver our final report pursuant to your Executive Order #106 (June 14, 2005).

After 15 meetings, including four that were expressly noticed for receipt of public comments, we are pleased to submit a report that was approved by unanimous vote of the Task Force. The recommendations in this report reflect the strong views of members with disparate interests and opinions. Given this diversity of interest, the value of consensus is significant. The Task Force believes these recommendations are in the best interests of Wisconsin in general, and its natural resources, economy and residents in particular.

To meet your assignment to generate a "comprehensive strategy" for dealing with waste reduction, recovery and disposal issues, the need for a clear statement of goals – or vision – became apparent. In order to provide overall context for our recommendations, therefore, the Task Force developed a statement of its vision for solid waste and resource management in Wisconsin as follows:

In a manner designed to minimize environmental, economic, and social costs to the residents of Wisconsin and beyond, the State of Wisconsin shall achieve and maintain an integrated materials management system consisting of enhanced producer responsibility for products, effective resource recycling and recovery, and responsible waste disposal – all designed to promote ecological and environmental sustainability.

Our recommendations relate to specific components in this vision statement. Taken as a whole, these recommendations reflect, in our view, the steps necessary to have an integrated materials management system – a system where producers, consumers and waste handlers anticipate the conduct of one another and act in concert to minimize waste generation, maximize the recovery of resources where economically viable, and dispose of the rest by means that protect human health and the environment.

The implementation of these recommendations will require a certain amount of funding. The issue of funding, of course, is a sensitive one. The Task Force is wary of unfunded mandates. Composed as it is by members with diverse views on taxes, fees, and related matters, the Task Force found it challenging to recommend a mechanism for funding the implementation of its recommendations. We have assumed that general purpose revenues are unlikely to be made available for waste management programs.

A non-lapsable trust fund, which is commonly referred to as the “Recycling Fund,” currently supports most recycling and waste reduction programs today. The Recycling Fund receives revenue from a recycling surcharge on certain tax liabilities and a landfill tipping fee. The Recycling Fund, in turn, is used to support a wide variety of services, including administrative staffing, recycling demonstration grants, and grants to local units of government responsible for recycling programs (called “Responsible Units” or “RUs”). According to the Wisconsin Legislative Fiscal Bureau, the revenue generated for the Recycling Fund generally exceeds expenses by up to \$10 million a year. These surplus funds have, on many occasions in the past, been diverted to the general fund for budget balancing purposes.

The Task Force does not profess to be fully informed as to the thinking behind these transfers. But, to the extent these funds have been transferred in the past because they were left “unused” by the absence of organized programming for solid waste recovery purposes, then the recommendations of this Task Force fill in the gap. Based on current projections, these funds, if retained for use on waste reduction and recycling initiatives as set forth in our report, would be adequate to implement and sustain these recommendations in the coming years. By preserving these funds for this purpose, our recommendations as a whole can be implemented *without the need for additional taxes or surcharges*. The Task Force believes that this is a significant factor and one that supports the implementation of these recommendations as soon as possible. This will accelerate efforts to achieve a fully integrated solid waste management program in Wisconsin.

Our formal report contains both an Executive Summary as well as the main report itself. The Executive Summary provides a summary of our vision for Wisconsin and subsequent recommendations to achieve that vision. The main report provides significant additional detail as added context for the recommendations themselves and for implementation of these recommendations in the months ahead.

Honorable Jim Doyle

December 28, 2006

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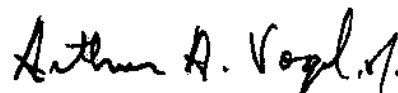
The implementation of these recommendations will require a coordinated approach involving stakeholders, the DNR, legislators and the Governor. A useful "next step" might be to form a "Waste Minimization, Recovery and Disposal" study group appointed by the DNR Secretary and reflecting membership among a broad group of agency representatives, stakeholders, and possibly legislators. Such a group, whether formally constituted by legislation or not, could assist in mapping a prompt and considered course of action taking the recommendations in the report from theory to practice. Changes may be required as issues fluctuate, but a coordinated effort to develop and marshal the steps necessary to implement these recommendations would seem to offer the best chance to make the integrated system reflected in this a report a reality.

One final word. There is no silver bullet. An effective state policy likely depends on a wide range of action and a combination of measures designed to achieve overall state objectives. What is required to achieve these objectives will change over time, just as markets and public habits will change, and the state must be prepared to adapt over time as well. A creative and flexible approach, as reflected in our recommendations, will help Wisconsin adhere to its proud history of effective management of natural resources.

On behalf of each and every member of the Task Force, thank you for the opportunity to deliberate on these important issues. Members of the Task Force stand ready to assist you, the Legislature, the DNR and other policy makers as necessary to help implement these recommendations.

Very truly yours,

QUARLES & BRADY LLP



Arthur A. Vogel, Jr.

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Enclosure

cc: The Honorable Scott Hassett - Secretary, Department of Natural Resources
Members of the Governor's Task Force on Waste Materials Recovery and Disposal